

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE**  
**10 APRIL 2018**

|  |   |  |  |
|--|---|--|--|
| <b>Subject:</b>  | NOTTINGHAM CITY COUNCIL PROCUREMENT PLAN 2018 -23   |  |  |
| <b>Corporate Director(s)/ Director(s):</b>   | Katy Ball, Director of Commissioning and Procurement<br>Steve Oakley, Head of Contracting and Procurement |  |  |
| <b>Portfolio Holder(s):</b>  | Councillor Graham Chapman – Portfolio Holder for Resources and Regeneration                               |  |  |
| <b>Report author and contact details:</b>  | Jo Pettifor, Category Manager – Strategy and People<br>Jo.Pettifor@nottinghamcity.gov.uk 01158765026      |  |  |
| <b>Key Decision</b>  | <input type="checkbox"/> Yes  | <input checked="" type="checkbox"/> No | <b>Subject to call-in</b> <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>Reasons:</b> <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision   |   |  | <input type="checkbox"/> Revenue <input type="checkbox"/> Capital                  |
| Significant impact on communities living or working in two or more wards in the City   |   |  | <input type="checkbox"/> Yes <input type="checkbox"/> No                           |
| <b>Total value of the decision:</b> nil  |   |  |  |
| <b>Wards affected:</b> all   | <b>Date of consultation with Portfolio Holder(s):</b> 21 March 2018                                       |  |  |
| <b>Relevant Council Plan Key Theme:</b>  |   |  |  |
| Strategic Regeneration and Development   |   |  | <input checked="" type="checkbox"/>  |
| Schools  |   |  | <input checked="" type="checkbox"/>  |
| Planning and Housing   |   |  | <input type="checkbox"/>   |
| Community Services   |   |  | <input checked="" type="checkbox"/>  |
| Energy, Sustainability and Customer  |   |  | <input checked="" type="checkbox"/>  |
| Jobs, Growth and Transport   |   |  | <input checked="" type="checkbox"/>  |
| Adults, Health and Community Sector  |   |  | <input checked="" type="checkbox"/>  |
| Children, Early Intervention and Early Years   |   |  | <input checked="" type="checkbox"/>  |
| Leisure and Culture  |   |  | <input checked="" type="checkbox"/>  |
| Resources and Neighbourhood Regeneration   |   |  | <input checked="" type="checkbox"/>  |
| <b>Summary of issues (including benefits to citizens/service users):</b>   |   |  |  |
| This report presents the Nottingham City Council Procurement Plan for 2018 – 2023, which sets out the Council’s planned programme of procurement activity for all goods, works and services over this five year period. The Plan is attached at Appendices 1- 3. The outcomes of procurement activity undertaken during 2017 - 18 will be reported in the ‘Procurement Strategy Implementation Report’ at the end of the year. |   |  |  |
| <b>Exempt information:</b>   |   |  |  |
| None   |   |  |  |
| <b>Recommendation(s):</b>  |   |  |  |
| <b>1</b> To note the Nottingham City Council Procurement Plan 2018 – 2023 and adopt the plan set out in the report.  |   |  |  |
| <b>2</b> To note that the Procurement Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the outcomes of the strategic commissioning process, service budgets and priorities and the full consideration of procurement options for each requirement.   |   |  |  |
| <b>3</b> To note that the outcomes of procurement activity undertaken in accordance with the Plan during 2017/18 will be reported at the end of the year.  |   |  |  |

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 The Procurement Plan is a key mechanism in the implementation of the Nottingham City Council Procurement Strategy to deliver the Council's strategic priorities. It enables the planning of procurement activity under the Strategy to pursue the key procurement objectives of:
- Citizens at the heart
  - Securing economic, social and environmental benefits
  - Commercial efficiency
- 1.2 The Procurement Plan enables the Council to secure value for money, manage financial resources effectively and align its commissioning and procurement activity with the Council's Medium Term Financial Plan (MTFP), through a planned approach and robust financial analysis for each project. A strategic category management approach in key areas of spend will maximise the value of spend and generate savings wherever possible for client Departmental budgets.
- 1.3 The Procurement Plan supports compliance with the Public Procurement Regulations and the Contract Procedure Rules of the Council's Financial Regulations by through the planning of procurement activity to be undertaken prior to the expiry of existing contracts. This minimises the need for dispensation from the Financial Regulations to be sought to extend contracts beyond their expiry date without formal tendering, other than in genuinely exceptional circumstances. This is particularly important in relation to goods and services that are subject to the full application of the EU and UK Procurement Regulations.
- 1.4 The Procurement Plan provides information for internal and external stakeholders about planned procurement activity and presents a clear, transparent and robust process of procurement planning. It facilitates joint working with partner organisations and collaboration in procurement activity. It allows other service departments (such as Legal Services) to include support for procurement activity in their work plans.
- 1.5 The Procurement Plan supports the Council's commercialisation agenda and facilitates the forward planning of 'Make or Buy' considerations by enabling potential 'Make or Buy' opportunities to be identified in advance of existing contracts being due for renewal.
- 1.6 The Procurement Plan informs provider markets about forthcoming opportunities to bid for contracts with the Council; enabling potential suppliers to prepare for these and enabling market development support to be offered.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 A Procurement Plan was first developed to align the planning of procurement and contracting activity for commissioned services with the Strategic Commissioning Intention Review programme. The Plan was first reported to Commissioning Sub Committee in May 2012 and has subsequently been maintained and reported routinely to Committee.

2.2 A copy of the Procurement Plan 2018 – 2023 is attached at Appendices 1- 3. It presents planned and anticipated procurement activity across the Council; showing the expected commencement and completion dates and anticipated key stages for each project. It is formatted based on the three procurement categories managed by the Procurement Team, which are:

- ‘People’ - commissioned services for citizens, including: social care and support for vulnerable adults and children, Community, Public Health and education services
- ‘Places’ – including: major projects, minor works, highways, school capital works, safety and compliance, operator services and temporary structures
- ‘Products’ – including: transport, energy, waste, environmental services, professional services, ICT, soft facilities management and business support

2.3 The Procurement Plan is indicative of anticipated procurement activity and may be subject to change, for example based on the outcome of commissioning decisions or due to changes to service budgets and service priorities. The procurement options for each requirement are considered as part of the commissioning process based on a number of factors, including whether the services are required in future, whether remodelling is necessary, consideration of ‘Make or Buy’ options, compliance with the Council’s financial regulations and Public Procurement Regulations, and the overall risks, costs and benefits of tendering. All procurement activity is conducted in accordance with the core principles of the Nottingham City Council Procurement Strategy 2018-23:

- Commercial efficiency
- Citizens at the heart
- Partnerships and collaboration
- Governance, fairness and transparency
- Ethical standards
- Innovation and improvement

2.4 The outcomes of procurement activity undertaken the Procurement Strategy 2014-17 were reported to Committee in June 2017. This included a total of £288m injected into the local economy – representing 69% of total contract value. In 2016/17 alone, £48m was awarded to City SMEs - 60% of the total contract value awarded. Between 2014 and 2017, 364 new entry level jobs and apprenticeships were created through contracts awarded.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

3.1 Do nothing. This would impact upon the planning of the Council’s procurement activity across all goods, works and services. There would be a risk of non-compliance with the Council’s Contract Procedure Rules and Financial Regulations and EU and UK Procurement Regulations due to procurement activity not being undertaken in a timely way and contracts needing to be extended beyond their expiry date. In relation to commissioned services, it would impact on the alignment of procurement activity with the programme of commissioning reviews undertaken within Strategy and Resources. For these reasons, this option was rejected.

### **4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

4.1 The recommendations of this report do not have any specific financial implications.

- 4.2 As each element of the Procurement Plan set out in Appendices 1- 3 is undertaken, separate approvals will be required by the relevant Board or Portfolio Holder decision as appropriate.
- 4.3 This approval will include the appropriate financial implications and recommendations ensuring budget availability and aligning any procurement savings captured as part of the Medium Term Financial Plan (MTFP).

Hayley Mason, Strategic Finance Business Partner, 9 March 2018

## **5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

- 5.1 The Council's Contract Procedure Rules and Financial Regulations, EU Public Contracts Directives, the Public Contracts Regulations 2015 and Concession Contracts Regulations 2016 dictate that the Council should undertake a formal tender process for the award of contracts of a particular value. The Procurement Plan addresses the risk of non-compliance with these Regulations by providing a tool for planning procurement activity across all contracts based on their expiry date.
- 5.2 The Procurement Plan sets out an ambitious programme of procurement activity across all categories of goods, works and services. Planned procurement activity includes the re-tendering of existing contracts prior to expiry, and anticipated procurement of new goods, works and services to meet new priorities. The delivery of this programme of activity depends upon the necessary resources being available. The number of tenders undertaken will be dependent on the outcomes of the commissioning process for each requirement (including the consideration of procurement options) and will be subject to a formal decision making process.
- 5.3 The Legal Services Team will provide support and contribute to the delivery of the Procurement Plan by advising on relevant legislation, legal and commercial risks, compliance with the City Council's Constitution and drafting and approving of contract documents.

Andrew James, Team Leader Contracts and Commercial, 8 March 2018

## **6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)**

- 6.1 This decision does not have any implications for strategic assets and property.

## **7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 The Nottingham City Council Procurement Strategy 2014-2017 sets out how procurement will drive the Council's key priorities of economic growth, social value and sustainability. It outlines how procurement will contribute to the economic, social and environmental well-being of the City through consultation, supporting the local economy, social benefits and protecting the environment.

- 7.2 For each procurement process, consultation will be undertaken and full consideration will be given to how the goods, works or services procured could improve economic, social and environmental well-being in Nottingham, in accordance with the Public Services (Social Value) Act 2012. Social value considerations will be made throughout the procurement process to ensure opportunities are maximised to improve the wellbeing of the City and its citizens. In relation to commissioned services for vulnerable adults and children, social improvements are expected for those receiving services.
- 7.3 Procurement activity undertaken in accordance with the Procurement Plan will support the implementation of the Council's Business Charter, through the inclusion within eligible contracts of relevant contract specific requirements and targets based on the principles of the Charter. To maximise the economic, social and environmental benefits delivered from each contract, the contract requirements and targets will be developed in each case as appropriate and proportionate to the contract being procured.
- 7.4 A Procurement Project Register is maintained as a mechanism to monitor the outcomes of procurement activity undertaken, in particular progress against the key economic, social and environmental targets within the Procurement Strategy.

## **8 REGARD TO THE NHS CONSTITUTION**

- 8.1 This is considered where appropriate for relevant service areas.

## **9 EQUALITY IMPACT ASSESSMENT (EIA)**

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

This report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies developed outside the Council

## **10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

- 10.1 None

## **11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

- 11.1 Quality and Commissioning Procurement Plan Report – Executive Board Commissioning Sub-Committee, 23 May 2012.
- 11.2 Nottingham City Council Procurement Strategy 2014-17
- 11.3 Nottingham City Council Procurement Strategy 2018-2023
- 11.3 Procurement Strategy Implementation Update - Report to Commissioning and Procurement Sub Committee, 14<sup>th</sup> June 2017
- 11.4 Public Services (Social Value) Act 2012.